

**STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE  
CITY OF MAYWOOD OVERSIGHT BOARD**

**CITY OF MAYWOOD  
CITY COUNCIL CHAMBERS  
4319 EAST SLAUSON AVENUE  
MAYWOOD, CALIFORNIA 90270**

**Wednesday, October 3, 2012**

**9:30 a.m.**

AUDIO LINK FOR THE ENTIRE MEETING. (12-4695)

**Attachments:**    [Audio](#)

**I. CALL TO ORDER**

**Chair Myers called the meeting to order at 9:36 a.m.**

**II. ROLL CALL**

**Ivonne Evelyn Umana, Administrative Staff, conducted roll call:**

**Present:**            **Chair Lilian Myers, Board Members Eduardo Adame, Louisa Ollague, Andrew Sanchez, and John Walsh**

**Absent:**            **Board Member Sam Pedroza and Vice Chair Oscar Magaña**

**III. PLEDGE OF ALLEGIANCE**

**Pledge of Allegiance was led by Board Member Adame.**

**IV. STAFF COMMUNICATIONS**

This time is set aside for Successor Agency staff to update the Board on important items initiated by staff or previously requested by the Oversight Board. (12-4752)

**Andre Dupret, Project Manager, City of Maywood, presented a verbal summary of the October 1, 2012 correspondence received from the County of Los Angeles Auditor-Controller (A-C), pertaining to their findings on ROPS 3 for the period of January 1, 2013 through June 30, 2013. The following were the findings from the A-C:**

- **Line Item No. 17: “Enforceable obligations do not include agreements, contracts or arrangements between the city and county, or city and**

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county that created the redevelopment agency." While there are certain exceptions that recognize loans between a redevelopment agency and its sponsoring city as enforceable obligations, these exceptions do not appear to have been met.

- **Line Item No. 14:** Identified as a new obligation, and does not have sufficient information or documentation to determine if this is an enforceable obligation."
- **Line Item No. 24:** "The amount payable to Jones & Mayer appears to be a general Legal Services expense and not project-specific. This obligation should be paid from the Successor Agency's Administrative Cost Allowance."

Chair Myers requested that this item be added to the next Regular Meeting agenda for further discussion.

By Common Consent, there being no objection (Board Member Pedroza and Vice Chair Magaña being absent), the Oversight Board accepted Mr. Dupre's report.

Attachments:    [Supporting Documentation](#)

#### **V. PUBLIC PARTICIPATION (AGENDA ITEMS ONLY)**

At this time speakers wishing to address the Oversight Board on an item on the agenda will be called upon in the order that the speaker card is received. The maximum time allotted for individuals to speak shall not exceed three (3) minutes.

**There were none.**

#### **VI. DISCUSSION**

1. Review, discuss and consider potential candidates for Legal Counsel services for the Oversight Board. (12-4106)

**Yolanda Summerhill, Successor Agency Legal Counsel, presented a report in regards to the Oversight Board's request for Legal Services, and recommended that the Oversight Board review the report and then provide Successor Agency staff with direction regarding the Request for Proposals for Legal Services. Ms. Summerhill added that she had included a brief summary for each firm who submitted their proposals to assist in the decision process.**

**Board Member Ollague requested a briefing on what the process is for reviewing and selecting Legal Counsel for the Oversight Board.**

**Ms. Summerhill responded that the Oversight Board needs to review proposals from potential candidates, decide which candidate meets the need of the Oversight Board, set up interviews and make their final decision.**

**In response to Board Member Ollague's inquiry of setting up an Ad-Hoc Committee to conduct these interviews, Chair Myers informed the Oversight Board that it had been discussed, but there was no action taken at that time. She stated that since the Oversight Board had received the proposals, an Ad Hoc Committee can be set up. Chair Meyers, Board Members Walsh and Ollague volunteered for the Ad-Hoc Committee and agreed to interview the top three law firms.**

**On motion of Board Member Walsh, seconded by Board Member Ollague, duly carried by the following vote, the Oversight Board established an Ad-Hoc Committee:**

**Ayes: 5 - Board Members Adame, Ollague, Sanchez, Walsh and Chair Myers**

**Absent: 2 - Board Member Pedroza and Vice Chair Magaña**

**Board Member Walsh suggested, in respect to the work of the Ad-Hoc Committee, to establish a Legal Counsel criteria for the Oversight Board to follow.**

**Board Member Sanchez suggested that the Ad-Hoc Committee be tasked with reviewing review the proposals, select the top three potential candidates, and then bring that selection to the Oversight Board for the final decision.**

**Board Member Ollague suggested that the Oversight Board Members review the proposals today and determine the top three potential candidates along with criteria and expectations for the Ad Hoc Committee to proceed with a better understanding of what the Oversight Board is seeking.**

**Chair Myers agreed with Board Members Walsh and Ollague's suggestions of developing a supplemental questionnaire for distribution to potential law firms and at the same time establish the criteria of what the Oversight Board is looking for in Legal Counsel to assist in their fiduciary duties:**

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- **Cost containment issues:** Established if Legal Counsel is required to attend all Oversight Board meetings, review staff reports, be available on occasion, travel expenses;
  - **Experience with Real Estate transactions, City loans, and Redevelopment holdings;**
  - **Experience with Bond Refinancing, Property Marketing;**
  - **Experience with Department of Finance or other regulatory body negotiations; and**
  - **Experience with Conflict of Interest.**

After further discussion, the Oversight Board steered the following tasks in retaining Legal Counsel:

- **Ad-hoc Committee will discuss via email in developing a Supplemental Questionnaire document based upon agreed criteria discussed in today's meeting;**
- **Ad-hoc Committee to develop a ranking system and rank the law firms; and**
- **Ad-hoc Committee to handle the interviews with the three top firms, and provide the Oversight Board with the recommended law firm for final interview.**

By Common Consent, there being no objection (Board Member Pedroza and Vice Chair Magana being absent), the Oversight Board continued this Item to Wednesday, November 14, 2012; and instructed the Ad Hoc Committee to:

- **Develop a Supplemental Questionnaire;**
- **Develop a ranking system, and rank the potential law firms; and**
- **Interview the top three potential law firms and provide the Oversight Board with the recommended law firm for final interview.**

**Attachments:**    [Staff Report](#)  
                              [Summary of Proposals](#)  
                              [Request for Proposals](#)

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2. Discussion on the Housing Funds Due Diligence Review (DDR) report as prepared by an independent Auditor; open the forum for public comment session on the DDR for low and moderate - income-housing funds pursuant to California Health and Safety Code Section 34179.6; and set a date for final approval. (12-4574)

**Andre Dupret, City Project Manager, provided the Oversight Board with a brief overview of the process and steps involved regarding the Due Diligence Review.**

**On motion of Chair Myers, by Common Consent, there being no objection (Board Member Pedroza and Vice Chair Magana being absent), the Oversight Board opened the forum for public comment session.**

**No members of the public addressed the Oversight Board on this item.**

**On motion of Chair Myers, by Common Consent, there being no objection (Board Member Pedroza and Vice Chair Magana being absent), the Oversight Board closed the public comment session.**

**In response to Board Member Ollague's inquiry to when the \$1.2 million City Loan is scheduled for payment, Yolanda Summerhill, Successor Agency Legal Counsel, stated that there is a timeline involved.**

**Ms. Summerhill further added that once the Department of Finance issues a bill to the City for payment, the City or Successor Agency can request a 'Meet and Confer' process to dispute the amount, which can take up to 30 days; and could be anytime between early and mid-November without a dispute, or the end of December to early January 2013 with a dispute.**

**Ms. Summerhill also informed the Oversight Board that the meeting held today was the public comment session, and the Oversight Board has an obligation before October 15, 2012 to approve the Due Diligence Review.**

**Ms. Summerhill stated that the Agency's rationale is that the Board can digest and hear from the public on the review today, but the Oversight Board does not take any action.**

**After a lengthy discussion, regarding the October 15, 2012 deadline and comply with the five-day period for the Due Diligence Review, the Oversight Board agreed to hold a Special Meeting on Thursday, October 11, 2012 at 1:30 p.m.**

**In response to Board Member Ollague's inquiry if there is a list of Cities that have transactions reflecting loans between Redevelopment Agencies and Cities, Chair Myers stated that transactions of these kinds were very typical for the former Redevelopment Agencies, as the purpose at that time was to start the projects right away which prompted the City to loan the money to**

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**the former Redevelopment Agency. Each City is different in their needs and payment process, but the idea was to get the former Redevelopment Agencies up and moving as soon as possible.**

**Ms. Summerhill informed the Oversight Board that she would provide a brief memo for the October 11, 2012 meeting, regarding information contained in the Health and Safety Code that specifically authorizes Redevelopment Agencies to borrow from the Low and Moderate Income Housing Funds.**

**By Common Consent, there being no objection (Board Member Pedroza and Vice Chair Magana being absent), the Oversight Board continued this item to Thursday, October 11, 2012 at 1:30 p.m.**

**Attachments:**    [Staff Report](#)  
                          [Due Diligence Review](#)

## **VII. MISCELLANEOUS**

- 3.** At this time speakers wishing to address the Oversight Board on an item that is not on the agenda will be called upon in the order that the speaker card is received. The maximum time allotted for individuals to speak shall not exceed three (3) minutes. Further, in accordance with State law, the Oversight Board may not take action or entertain extended discussion on a topic not listed on the agenda. Please show courtesy to other and direct all of your comments to the Chair. (12-4575)

**Chair Myers commented that this is a Special Meeting and the Oversight Board is restricted to discussing items on the agenda. This item was taken off the agenda.**

## **VIII. ADJOURNMENT**

**The meeting adjourned at 10:31 a.m. A Special Meeting has been scheduled for Thursday, October 11, 2012 at 1:30 p.m.**